

Draft
Implementation and Support Agreement
for
Grid Connected
Solar Photo Voltaic Projects
of
750 MW (3x250) Capacity
(under open category)
at
Ananthapuramu Ultra Mega Solar Park
(1500MW)
in
Andhra Pradesh

Issued By

Andhra Pradesh Solar Power Corporation Private Limited
6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School Lane,
Ameerpet, Hyderabad – 500016

This Implementation and Support Agreement is made on ----th -----, 2018 at Hyderabad.

by and between

M/s Andhra Pradesh Solar Power Corporation Private Limited, a Company incorporated under the Companies Act, 2013 having its registered office at R.No.218, 2nd Floor, Vidyut Soudha, Khairatabad, Hyderabad - 500 082, Telangana, India and administrative office at 6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School Lane, Ameerpet, Hyderabad – 500016, Telangana, India, (herein after referred to as ‘**APSPCL**’ or “**SPPD**”), which expression shall unless repugnant to the context or meaning thereof, includes its successors-in-office, administrators and permitted assignees of the First Part

AND

M/s -----, a Company incorporated under the Companies Act, 1956 having its registered office at ----- (herein after referred to as ‘**Solar Power Developer**’ or ‘**SPD**’), which expression shall unless repugnant to the context or meaning thereof include its successors in office, administrators and assignees of the Other Part

APSPCL and SPD are hereinafter referred to individually as the “Party” and collectively as “Parties”.

1 Recitals

- a. Whereas Andhra Pradesh Solar Power Corporation Private Limited (**APSPCL**) was incorporated in the year 2014 under the Companies Act, 2013 as a Joint Venture Company between SECI (Solar Energy Corporation of India), APGENCO (Andhra Pradesh Power Generation Corporation Limited) and NREDCAP (New & Renewable Energy Development Corporation of Andhra Pradesh Limited) with an objective to plan, develop and operate solar parks in the State of Andhra Pradesh under MNRE Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects in the country, notified on 12th December 2014. Whereas, **APSPCL** has been designated as **Solar Power Park Developer (SPPD)** by MNRE for facilitation and implementation of the Ananthapuramu Ultra Mega Solar Park (1500 MW) to be developed at N.P.Kunta and P.Kothapalli Villages of Ananthapuramu District of Andhra Pradesh.
- b. Whereas NTPC Limited (hereinafter referred to as ‘**NTPC**’), a Maharatna Company, is Central Public Sector Undertaking (CPSU) under the Ministry of Power, Government of India and India’s largest power generating company and has proposed to establish 750 MW Capacity Solar Photo Voltaic Project in Phase-II at Ananthapuramu Ultra Mega Solar Park (1500 MW) sanctioned by MNRE.

- c. Whereas, **SPPD**, as part of Solar Park development, will identify and acquire land required and allot land to **SPD** as per MNRE guidelines at the rate of 2 Hectares per MW (5 acres per MW) for setting up solar power projects on lease basis for a period of 25 years. **SPPD** will also develop common infrastructure in the Solar Park like Internal Transmission System, Water Supply, Road Connectivity, Drainage System, Cable Support Structures etc as described in Article-6.
- d. Whereas District Revenue Department of Ananthapuramu District, Govt. of Andhra Pradesh has handed over Government and Assigned land covered in Survey Nos. 679, 700, 840, 841, 970 etc of N.P. Kunta Village and Survey Nos. 539, 843, 940, 1029 etc of P. Kothapalli Village in NP Kunta Mandal of Ananthapuramu District of Andhra Pradesh to NREDCAP (New and Renewable Energy Development Corporation of Andhra Pradesh) and NREDCAP in turn has handed over the above land to APSPCL for setting up grid connected Solar PV Projects at Ananthapuramu Ultra Mega Solar Park (1500 MW).
- e. Whereas, NTPC has issued Request for Selection (RfS) No. RE-CS-0000-BOO-2, Dated 09.03.2018 inviting proposals for setting up of grid connected Solar PV Projects of total 750 MW Capacity (3x250 MW) under open category in Ananthapuramu Ultra Mega Solar Park (1500 MW) at N.P. Kunta Mandal of Ananthapuramu District of Andhra Pradesh.
- f. Whereas, NTPC has selected M/s. ----- for establishment of ----- MW Solar Power Project at under open category in Ananthapuramu Ultra Mega Solar Park (1500 MW) at N.P. Kunta Mandal of Ananthapuramu District of Andhra Pradesh and issued Letter of Intent vide ----- and signed Power Purchase Agreement (PPA) with the SPD on ----- for purchase of solar power selected for a period of 25 years based on the terms, conditions and provisions of the RfS.
- g. Whereas, SPPD has allotted the land to the SPD for setting up of ---- MW Solar Power Project in Ananthapuramu Ultra Mega Solar Park (1500 MW) at N.P. Kunta Mandal of Ananthapuramu District of Andhra Pradesh as per the Land Lease Agreement.
- h. Whereas, **APSPCL**, after considering the expenditure for Development of Infrastructure, will collect one time Solar Power Park Development Expenses towards capital cost for Land development and for providing Common Infrastructure such as Internal Transmission Lines, Roads, Water Supply, Drainage System and other Infrastructure facilities in the Solar Park.

In addition to the One time Solar Power Park Development Expenses, the **APSPCL** will separately charge Annual O&M charges for Operation and Maintenance of the facilities as described in Article-6 in the Solar Power Park as per the terms of this agreement.

NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the Parties hereby agree as follows:

2 Definitions

- a) *"Act"* or *"Electricity Act, 2003"* shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time;
- b) *"Agreement"* shall mean the Implementation and Support Agreement made between *"APSPCL"* and the *"Solar Power Developer"*
- c) *"APSPCL"* shall mean **Andhra Pradesh Solar Power Corporation Private Limited**, a company incorporated under the Companies Act, 2013 having its registered office at R.No.218, 2nd Floor, Vidyut Soudha, Khairatabad, Hyderabad - 500 082, Telangana, India and administrative office at 6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School Lane, Ameerpet, Hyderabad – 500016, Telangana, India.
"APSPCL" here in after referred to as the "SPPD" or "Solar Power Park Developer".
- d) *"Company"* shall mean a body corporate incorporated in India under the Companies Act, 1956 or the Companies Act, 2013 as applicable, which expression shall unless be repugnant to the context or meaning hereof be deemed to mean & include its successors in business and assigns.
- e) *"Commercial Operation Date (COD)"* shall be the date on which the commissioning certificate is issued by the commissioning committee constituted by AP Discom(s) upon successful commissioning of the full capacity of the Project or the last part capacity of the Project as the case may be.
- f) *"CTU" or "Central Transmission Utility"* shall mean the Central Transmission Utility as defined in sub-section (10) of Section 2 of the Act i.e. Power Grid Corporation of India Limited (PGCIL).
- g) *"Demised Premises"* shall mean all that piece of leased land in Ananthapuramu Ultra Mega Solar Park (1500 MW) at N.P. Kunta Mandal of Ananthapuramu District of Andhra Pradesh and more particularly described in the Land Lease Agreement together with all rights, liberties, privileges, easement advantages and appurtenances, whatsoever thereto belonging or in any manner appurtenant thereto or usually held or occupied therewith or reputed to belong or be appurtenant thereto except and reserving unto **APSPCL** all mines and minerals in and under the premises.
- h) *"GoAP"* shall mean Government of Andhra Pradesh.
- i) *"Inter-connection point or Delivery point"* shall be the LV side of 400kV Grid Sub-Station of CTU. All costs and losses up to that point will be to the account of the Solar Power Developers.
- j) *"Metering point"* shall mean the point at 220 kV side of 400/220 kV Grid Sub-Station of CTU. However, if SPD desires to have one more meter at 33 kV side of 220/33 kV Pooling Sub-station where power from the Solar Power Project is injected for measurement of export from each plot, the metering and connected equipment at 33 kV side of 220/33 kV Pooling Sub-station shall be provided by Solar Power Developers at their cost and they shall abide by

the relevant CERC Regulations, Grid Code, and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.

- k) **“MNRE Guidelines”** shall mean the Guidelines issued by Ministry of New & Renewable Energy, Government of India from time to time for Development of Solar Parks under National Solar Mission and its amendments, if any.
- l) **NTPC Limited** is an Indian Central Public Sector Undertaking (CPSU) under the Ministry of Power, Government of India, engaged in the business of generation of electricity and allied activities. It is a company incorporated under the Companies Act 1956 having its registered office at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodhi Road, New Delhi – 110003.
- m) **“Party” or “Parties”** shall refer to **APSPCL** and the **SPD** individually or collectively.
- n) **“Pooling Substation”** shall mean an intermediary Substation where more than one Solar PV Project may connect for further connectivity through a common transmission line to STU / CTU System for evacuation of power.
- o) **“Power Purchase Agreement” or “PPA”** shall mean the Power Purchase Agreement between **NTPC** and **SPD**, including its recitals and schedules, amended or modified from time to time in accordance with the terms hereof.
- p) **“Part Commissioning”**: the Project will be considered as part commissioned if all equipment as per acceptable project capacity less than contracted project capacity has been installed and energy has flown into grid.
- q) **“Project Commissioning”**: the Project will be considered as commissioned if all equipment as per rated project capacity has been installed and energy has flown into grid.
- r) **“Scheduled Commissioning Date”** shall be 13 months from the effective date of PPA.
- s) **“Solar Park”** shall mean concentrated zone of development of solar power generation projects and provides an area that is well characterized with proper infrastructure including power evacuation and access to amenities. Solar Park will also facilitate developers by reducing the number of required approvals;
- t) **“Solar PV Project” or “Project”** shall mean the Solar Photo Voltaic power project that utilizes sunlight for direct conversion into electricity through Photo Voltaic technology;
- u) **“SPD” or “Solar Power Developer”** shall mean Bidding Company or a project company (Indian Company) incorporated by the Bidding Company which has signed the PPA and confirmed by NTPC or Bidding Consortium that got selected through the bidding process conducted by **NTPC** including its successors, executors and permitted assigns and Lead Member of the Bidding Consortium jointly and severally, as the context may require.
- v) **“SPPD” or “Solar Power Park Developer”** shall refer to **“APSPCL”** designated as the **Solar Power Park Developer for Ananthapuramu Ultra Mega Solar Park (1500 MW)** in the State of Andhra Pradesh.
- w) **“State Solar Power Policy”** shall mean the Andhra Pradesh Solar Power Policy 2015 and its amendments from time to time.

- x) **“STU” or “State Transmission Utility”** shall mean the Board or the Government Company notified by the respective State Government under Sub-Section I of Section 39 of the Act i.e. Transmission Corporation of Andhra Pradesh Limited (APTRANSCO).

3 Definitions and Rules of Interpretation

The definitions set out in Article 2 “Definitions” shall apply to this Implementation and Support Agreement except where the context otherwise requires.

4 Effective Date and Duration

4.1 Effective Date

This Implementation and Support Agreement shall come into effect from the date of its execution by both the Parties.

4.2 Duration of Agreement

The Agreement is valid for 25 years from the COD subject to the terms and conditions contained here in this Agreement.

4.3 Renewal of Agreement

The Agreement may be extended for a further period on mutually agreed terms and conditions at least 180 days prior to the expiry date.

5 Payment Terms

5.1 One time Solar Power Park Development Expenses:

One time Solar Power Park Development Expenses, towards capital cost for Land development and for providing Common Infrastructure such as Internal Transmission Lines, Roads, Water Supply, Drainage System etc as described in Article 6.0, of **Rs. -----** **(Rupees ----- Only)** calculated at the rate of **Rs. 40.0 Lakhs (Rupees Forty Lakhs Only) per MW** along with GST applicable shall be paid by the **SPD** to **SPPD** on or before entering into this agreement. All other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to the **SPPD** by the **SPD** within 15 days from the date of issue of bill by **SPPD**.

5.2 Annual O&M Charges

Annual O&M charges of **Rs. ----- (Rupees ----- Only)** calculated at the rate of **Rs. 3.2 Lakhs (Rupees Three Lakhs and Twenty Thousand Only) per MW** per annum in the first year which is escalated annually at the rate of 6% along with GST shall be payable by **SPD** on or before 30th April at the beginning of each financial year during the agreement period. First year annual O&M charges shall be payable by **SPD** on prorata basis from the date of part or project commissioning within 30 days from such date. All

other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to the **SPPD** by the **SPD** within 15 days from the date of issue of bill by **SPPD**.

5.3 Charges for Water Supply

Water consumed by SPD shall be metered and charged at the rate of Rs. 10 per Kilo Litre, which is fixed for the agreement period. Charges for water supply shall be paid by SPD every month within 15 days from the date of issue bill by SPPD.

5.4 Performance Bank Guarantee

5.4.1 Submission of Performance Bank Guarantee

The **SPD** shall submit a Performance Bank Guarantee of Rs. 2 Lakhs per MW to **APSPCL** at the time of signing of Implementation and Support Agreement which should be valid for a period of 19 months from the date of signing of PPA with NTPC. In case any extension is given to the Project, the corresponding extension needs to be made in the validity of PBGs.

5.4.2 Appropriation of Bank Guarantee

The Solar Power Project shall be commissioned within 13 months from the date of signing of PPA. In case of failure to achieve this milestone, **APSPCL** shall encash the Performance Bank Guarantee on per day basis and proportionate to the Capacity not commissioned, with 100% encashment for 150 days delay.

In case the project is not commissioned within the period stipulated by NTPC/MNRE and extension for COD is not granted by NTPC/MNRE, **APSPCL** shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to terminate this Agreement and also the Land Lease Agreement without any liability to **APSPCL**.

5.4.3 Return of Performance Bank Guarantee

APSPCL shall return/release the Performance Bank Guarantee three (3) months after the Commercial Operation Date without prejudice to other rights of **APSPCL** under this Agreement.

5.5 Transmission Charges and Scheduling Charges

- a) “Inter-connection point or Delivery point” shall mean the point at 220 kV side of 400/220 kV Sub-Station of CTU i.e. PGCIL. All costs and losses upto that point will be to the account of the Solar Power Developers.
- b) As per the notification nos. L-1/(3)/2009-CERC and L-1/41/2010-CERC dated 15th May, 2015 of Central Electricity Regulatory Commission (CERC), Solar Power Park Developer (**SPPD**) has been included as an Applicant for Connectivity and Long Term

Access in Inter-State Transmission System (ISTS). Accordingly, APSPCL is responsible for providing LTA & Connectivity to the Solar Park. However, the **SPD** is responsible for Scheduling and Deviation Settlement Mechanism (DSM) charges as per CERC Regulations and all liabilities related to LTA and Connectivity, if any.

- c) As soon as first project in the Solar Power Park gets commissioned, transmission charges will start getting paid from corpus of fund created by the **SPPD**, out of the collection from the Solar Power Developers, for the entire capacity of line. If the line gets ready as per schedule and no project is commissioned, **SPPD** will have to pay charges as per applicable rules out of the Corpus Fund. However if the said Corpus Fund is not created, the same shall be reimbursed by **SPD** to **SPPD**.
- d) Forecasting and scheduling shall be done by **SPD** as per CERC Regulations and Indian Electricity Grid Code. The **SPPD** may take up the function of forecasting and Scheduling if the Solar Power Developers so desire on chargeable basis.
- e) **APSPCL** will forward all the bills received from concerned authorities towards above charges mentioned from 5.5 (a) to 5.5 (d) to the **SPD** from time to time and the **SPD** shall pay such bills within 7 days from the date of issue of bill by **SPPD**.

5.6 Taxes and Duties

- a) The **SPD** shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the **SPD**, Contractors or their employees that are required to be paid by the **SPD** as per the Law in relation to the execution of this Agreement.
- b) **APSPCL** shall be indemnified and held harmless by the **SPD** against any claims that may be made against **APSPCL** in relation to the matters set out in Article 5.6.a.

5.7 Penalty for Delayed Payment

If payment of annual O&M charges or any other supplementary bill issued in respect of water supply or tax etc is delayed beyond their due date, **SPD** shall pay interest at the rate of 18% per annum for the delayed period. If the payment is delayed beyond 30 days from the due date of payment, **APSPCL** shall present the LC, established by **SPD** as per the Article 5.8, in the Bank to draw the amount.

5.8 Letter of Credit (LC) and Payment Security Mechanism

- 5.8.1** SPD shall establish an irrevocable unconditional standby Letter of Credit (LC) in favour of **APSPCL** with a public sector / scheduled commercial bank (as per the list to be provided by **APSPCL**) within 30 days from the date of signing of this agreement. The LC shall cover annual O&M charges payable to **APSPCL** for the next financial year. Failure of **SPD** to open the LC as stated above invalidates this agreement.
- 5.8.2** The LC shall be established for a minimum period of one year. **SPD** shall ensure that LC remains valid at all times during the entire/extended validity period of this Agreement. LC shall be renewed not later than 30 days prior to expiry of existing LC.
- 5.8.3** LC shall specify the manner and dates when bill(s) can be presented to Bank by **APSPCL**. The bills so presented by **APSPCL** to the Bank shall be promptly paid on their presentation.
- 5.8.4** All costs relating to opening and maintenance and negotiation of LC shall be borne by the **SPD**.
- 5.8.5** In case of drawl of the LC amount by **APSPCL** in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawl. **SPD** shall arrange to furnish to **APSPCL** a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, **APSPCL** shall have right to regulate the common facilities offered to the **SPD** by giving one month advance notice in writing, notwithstanding anything contained in the Land Lease Agreement.

5.9 Right to Re-enter

- 5.9.1** If there be any breach of any of the terms and conditions which will cause loss to **APSPCL** and covenants herein contained on the part of the **SPD**, **APSPCL** shall have the right to re-enter in to the possession of the Demised Premises or any part thereof and there upon the term hereby granted and right to renewal thereof shall absolutely cease and determine, and in that case no compensation shall be payable to the **SPD** on account of the buildings and improvements built or carried out on the Demised Premises by **SPD**.
- 5.9.2** Provided that **APSPCL** shall not exercise such right without serving the **SPD** a notice in writing giving three months time to remedy the breach.

6 Obligations of APSPCL

6.1 Approvals

APSPCL shall obtain all necessary statutory and non-statutory clearances required for developing the Solar Park.

6.2 Declaration by APSPCL

- a) **APSPCL** declares that there is no mortgage, charge and/or claim over the Demised Premises and the Demised Premises is free from all encumbrances.
- b) **APSPCL** declares that it has got full rights and absolute authority to lease the Demised Premises unto the **SPD** for the lease duration and to execute this Agreement in favour of the **SPD**.
- c) **APSPCL** has not been restrained either under income Tax Act or any other statute for the time being in force from dealing with or disposing of the Demised Premises or any part thereof in any manner.

6.3 Infrastructure support by APSPCL

APSPCL would provide the following infrastructure facilities and will ensure that these infrastructure facilities will be completed well in time to match the Commissioning schedule of the **SPDs**.

6.3.1 Land for Solar Project

APSPCL will provide land required for installation of solar power project (at the rate of 5 (five) acres per MW) on lease basis as per the Land Lease Agreement.

6.3.2 Internal Evacuation System

- a) **APSPCL** will provide all necessary evacuation facilities such as 220/33 kV Pooling Sub-station and its associated transmission lines for interconnection of the Project and evacuation of power from the Project upto interconnection point or delivery point. The **SPD** shall have to connect to 33 kV bus of 220/33 kV Pooling Sub-station by 33 kV cables at its own cost.
- b) 1000 MW Solar Park is divided in to 4 blocks of 250 MW for the purpose of Power evacuation.
- c) For each 250 MW Solar Power block, one pooling substation of 220/33 kV is proposed in which 4 X 80 MVA step-up transformers will be installed. 250 MW block is further subdivided into 50 MW sub blocks. Thus, these 5 X 50 MW sub blocks shall be connected to pooling sub-station through redundant 33 kV cables (two sets).
- d) The pooling sub-stations are connected through 220 kV Double Circuit tower line to the main 400/220 kV Sub Station through a dedicated corridor.
- e) SPD shall not generate more than 50 MW (AC) power at any point of time from each 50 MW block as the 220/33 kV Pooling Station is designed to evacuate 50 MW (AC) power only from each 50 MW block. In case export from each 50 MW block exceeds its rated capacity, the feeders emanating from the block are liable for disconnection.

6.3.3 Main Road and Street Lighting

APSPCL will lay and maintain the main roads so as to provide access to all the plots along with street lighting in the Solar Park. Internal access roads within the plot shall have to be laid by the **SPD** at its own cost.

6.3.4 Water Supply

- a) **APSPCL** will arrange and provide the necessary water supply for operations and maintenance of the Solar Power Plant from the date of commissioning.
- b) It is proposed to supply 16 KL/MW/Month so as to complete one cleaning cycle every fortnight. However the supply of water is not restricted.
- c) **SPD** shall be charged for water supplied by **SPPD** as per Article 5.3 of the agreement.
- d) **APSPCL** will provide water at a single source through a meter for each plot. **SPD** shall collect the water supplied by **APSPCL** in a ground level water tank and water from this tank shall be used by **SPD** by making its own arrangements as required.
- e) However, **APSPCL** shall not provide water supply during the construction phase. The **SPD** is advised to make its own arrangements for obtaining water during construction. **SPD** has to obtain necessary approvals/permissions from local authorities to dig bore wells or to get water from nearest reservoir by tankers and **APSPCL** will extend necessary support in obtaining such approvals/permissions, if required.

6.3.5 Drainage System

APSPCL will lay and maintain the main drains along the main road to which Solar power developers may connect their internal plant drains.

Major streams are suggested to be channelized by developers as tentatively indicated in the plot plan & obtain necessary approvals from **APSPCL** for maintaining continuity in existing streams at the boundary of individual plots.

6.3.6 Weather Station

APSPCL will establish and maintain the weather station to monitor the solar irradiation and other necessary weather data.

6.3.7 Power Supply During Construction

In respect of power supply required during construction period, **SPD** has to apply to local power distribution authorities in the prescribed application form at its own cost and the **SPD** shall also be responsible for all including timely payments etc. However, **APSPCL** will extend necessary support in obtaining the power supply connection.

6.3.8 **APSPCL** will insure Pooling Sub-stations, internal transmission lines and other equipment as per requirement.

6.3.9 If the existing PPA is terminated and SPD is permitted to sell to third party by MNRE/GoAP, APSPCL will continue its support for providing infrastructure facilities as per the agreement.

6.3.10 APSPCL is responsible to carryout O&M of the infrastructure facilities mentioned herein above during the agreement period.

7 Obligations of the Solar Power Developer

7.1 Observance of Law

7.1.1 Observance of Electricity Act and Solar Policies

- a) The **SPD** shall observe all laws (including the provisions of the Electricity Act, 2003), rules, regulations, policies (including the State Solar Power Policy), bye laws and/or guidelines as framed by the Central Government, State Government, local authority and/or authorized person or entity and as amended/modified from time to time in establishment, construction and operating the Solar Power Plant and in the generation, marketing, selling and/or supply of electricity or any other activity associated with the Solar Power Plant.
- b) The **SPD** covenants that the Plant shall at all times meet the specifications/requirements of the State Solar Power Policy as presently in force and as may be amended from time to time or any other policy, etc., as may be framed by the State Government or an appropriate authority in supersession of the existing State Solar Power Policy.

7.1.2 Observance of Health and Safety Laws

The **SPD** shall observe and conform to all rules, regulations, and bye laws of the local authority and or any regulatory authority concerned on any other statutory regulations in any way relating to public health, effluent treatment and disposal, solid waste disposal, hazardous waste disposal and sanitation in force for the time being, and shall provide sufficient toilet facilities and other sanitary arrangement for the labourers and workmen employed during the construction of the Solar Power Plant and/or structures of the Demised Premises in order to keep the Demised Premises and its surroundings clean.

7.1.3 Observance of Environmental Protection Laws

- a) The **SPD** shall be solely responsible for compliance and non-compliance of all State and Central Government laws, rule and regulations related to soil earth, water, air and noise pollution with respect to erection, operation and maintenance of their plant & associated activities.

- b) The **SPD** shall not interfere or cause damage to the properties of **APSPCL** whether located outside or inside the Demised Premises, including but not limited to water supply lines, drainage lines, water meters, street lights and such other properties. In case the **SPD** is found to have caused damage to the properties of **APSPCL**, a notice will be served to the SPD in writing to remedy such damage within 3 months. If the damage is not remedied within 3 months from the date of notice, **APSPCL** is entitled to terminate the Agreement and also to recover the damages with penalty as may be decided by **APSPCL** and such amount shall be recoverable as arrears of land revenue.

7.1.4 Observance of Local Laws/Authorities

- a) The **SPD** shall not at any time do, cause or permit to be done anything on the Demised Premises which may cause a nuisance, annoyance or disturbance to the owners, occupiers or resident of other premises in vicinity or upon the Land except to the extent inherent in the construction of the Plant and for running the same.
- b) The **SPD** shall pay from the date of execution of this Indenture, all existing and future municipal taxes, cesses, assessments, charges, duties and outgoings of every description that may from time to time be levied by a local authority on the Demised Premises.

7.2 Permissions and Clearances

The **SPD** shall obtain and renew, if necessary, at its own costs, all necessary permissions, approvals, licenses and permits for the Solar Power Project and shall pay all license and other fees and cess and taxes in respect of the Demised Premises by reason of their being used the same for the purpose aforesaid and to observe and perform all local, police, municipal laws and/or policies and rules and regulations in connection with such use. **APSPCL** will sign all such documents and make all such applications as may be reasonably required of **APSPCL** at the cost of the **SPD** for enabling the **SPD** to obtain all necessary permissions, licenses and/or approvals for constructing, repairing, running and/or maintaining the Plant.

7.3 Use of Demised Premises for Other Purposes

- a) The **SPD** shall use the Demised Premises and every part thereof only for the purpose of constructing, maintaining and running the Solar Power Project and matters connected therewith and shall not use the Demised Premises or any part thereof for any other purpose.
- b) The **SPD** shall be the owner of the plant and buildings constructed by it on the Demised Premises and the equipment, machinery, furniture, fixtures and/or all moveable assets installed therein.

- c) The **SPD** can construct the Solar Power Project including the buildings, structures required for the Solar Power Project as per their own plans in the demised premises. However the **SPDs** shall submit the plans/drawings to **APSPCL** for its scrutiny and approval to ensure that buildings & structures shall not create any obstruction to the neighboring plots.
- d) The **SPD** shall not build, construct, demolish or erect or make any alterations and/or additions to the Plant and/or any building or any structure on the Demised Premises or any variation or user of any portion thereof unless and until specifications, plans, elevations, sections and details thereof are submitted by the **SPD** to **APSPCL** for its scrutiny and approval to ensure that the above alterations/additions to buildings/structures will not create problems to Solar power Projects in the neighboring plots.
- e) The **SPD** shall not make any excavation upon any part of the Demised Premises or remove any stone, sand gravel, clay, earth or material there from except the construction of the Solar Power Plant.

7.4 Mortgaging

- a) The **SPD** shall not transfer, assign, let, underlets, sublet, license, mortgage, charge, encumber or part with the possession of the Demised Premises or any part thereof or any interest therein without prior permission of **APSPCL**.
- b) For the purpose of constructing the Plant on the Demised Premises, if the **SPD** intends to obtain loan from a bank or other financial institutions by mortgaging their lease hold interest in the Demised Premises in favor of such bank or institution, prior permission of **APSPCL** shall be obtained. However such mortgage shall not affect the rights and powers of **APSPCL** under this Agreement.

7.5 Right of Access to APSPCL/other authorities

APSPCL and/or the authorized persons of **APSPCL** shall have the right to access into Demised Premises, with prior intimation to the **SPD**, for the purpose of discharging its obligations including inspection to ensure compliance of terms and conditions of this agreement by **SPD**.

7.6 Right of APSPCL to Audit

The **SPD** shall permit conducting of an audit if deemed required to confirm whether the **SPD** has been in due compliance of all the provisions of the Electricity Act, 2003, Solar Power Policy framed by the Government of AP, the PPA, policies framed by **APSPCL**, or any other applicable rule / law / regulation. The **SPD** shall also ensure that answer to any query raised in this audit and/or any document/information required by the auditor is provided within reasonable time.

7.7 Fencing

The **SPD** shall Fence the demarcated boundary of the Demised Premises at the **SPD**'s own expense in every respect.

7.8 Metering

Metering shall be at 220 kV side of 400/220kV substation of CTU (PGCIL) i.e. interconnection point for billing purpose.

A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable on 220KV side of 400/220kV Grid Sub Station (Interconnection point) of CTU i.e. PGCIL will be provided by PGCIL/APTRANSCO and Stand by Meter of same type on 220kV side of 220/33kV Pooling station of APSPCL also will be provided by APTRANSCO. The Main, Check and Stand by Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

If SPD desire to have another set of metering at 33kV side of 220/33kV pooling substation where the power from the solar power project is injected for measuring the generation and transmission line losses up to interconnection point, Solar Power Developers shall bear all costs for procurement, installation, testing, calibration, maintenance, renewal and repair of meters and connected equipment. SPD shall abide by the relevant CERC Regulations, Grid Code, and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time for procurement and installation of Meters, Meter testing, Meter calibration and Meter reading and all other matters incidental thereto.

Energy recorded in the meters installed on 220 kV side are used for billing purpose and energy recorded in the meters installed on 33 kV side are used for computation of transmission losses and apportioning them among the 50 MW Solar Power Blocks.

7.9 Insurance

During the term of the Agreement, the **SPD** shall ensure that the Solar Power Plant including all the buildings, structures erected on the Demised Premises are insured at its own cost against any loss or damage.

7.10 Local Area Development

As per the MNRE guidelines, a certain percentage of the total investment made on development of Solar Park (excluding investment on evacuation) and that for setting up of solar power projects in the solar park may be kept aside for the affected area development. However, the amount to be paid by the SPDs has been quantified as Rs. 5.0 Lakhs per MW.

SPDs have to contribute an amount of Rs.5.0 Lakh/MW @ Rs.1.0 Lakh/MW/Year for 5 years in five yearly installments, 1st year installment shall be paid within 30 days from the date of part or project commissioning and from 2nd installment onwards, it shall be paid along with annual operation & maintenance charges. Local Area Development Fund, which is separately maintained by **SPPD**, would comprise of

- a) Development of Village Panchayat and
- b) Development of areas other than Village Panchayat.

A Committee, headed by the District Collector, will be constituted with the CEO/MD of **SPIA/SPPD** as Member Secretary and representatives of **SPDs** as members.

The MD/CEO of **APSPCL** as Member Secretary of this committee will be responsible for handling funds, maintain records of all accounts, and develop transparent policies for carrying and developmental activities in the stated Panchayat areas.

"As per the MNRE guide lines, a committee will be formed which may be named as "Solar park User's Committee" with the representatives of Solar Park Power Developer (**SPPD**), Solar Project Developers (**SPDs**) and Local Government, **APTRANSCO** **PGCIL** & **APDISCOM** officials to advise **SPPD** on day to day management of the park/ office and residential complexes as well as the transmission system".

7.11 Employment

The **SPD** shall offer suitable employment in the solar power project by giving first priority to family members who have lost their land during acquisition of the land for the Solar Park depending upon their qualifications and experience and next preference shall be given to local unemployed youth in those village panchayats and then to other village panchayats which comes under local area.

Necessary skill development facilities may be offered for development of technical and professional skills for employment in the solar project.

7.12 Technical Requirements

The **SPD** shall follow the technical requirements for Grid Solar PV Power Plants as mentioned in Annexure-III of MNRE Guidelines.

7.13 Right to take back

In case, where project is dismantled or is abandoned or is discontinued for power generation, SPPD will have the right to take back the land from the SPD. In such case, 50% of the Onetime Solar Park Development Expenses paid by the SPD will be forfeited and remaining 50% will be adjusted on pro-rata basis based on the date when the land is taken back.

7.14 Fire Safety

The **SPD** shall establish and maintain its own firefighting and safety equipment to avoid/minimize the loss/damage of property/equipment in case of fire.

8 Liability and Indemnification

8.1 Limitation of Liability

- a) Neither party shall have any liability to the other Party for any Loss suffered by that Party with respect to the subject matter of this Implementation and Support Agreement except pursuant to, or for breach of, this Implementation & Support Agreement; and
- b) Neither party shall be liable to the other in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive or exemplary damages.

8.2 Indemnification

- a) **APSPCL** shall indemnify and keep indemnified and sufficiently safe and harmless the **SPD** against any charges and encumbrances whatever made, executed, occasioned or suffered by the Lessee or by any other person or persons having or lawfully claiming by from under or in trust for them, legal proceedings or damages caused on account of breach of any law, rules and regulations of the Government or any local authority as applicable to the Demised Premises or of these present.
- b) The Solar Power Developer shall indemnify and keep indemnified and sufficiently safe and harmless **APSPCL** against all legal proceedings, losses, penalties, fines, claims, degrees, award, damages costs, charges and/or expenses that **APSPCL** may have to suffer and/or incur on account of breach by the **SPD** of any law, rules, regulations, byelaws, policies, guidelines of the Government or any local authority, or of these present and/or due to any situation and/or accident arising at or related to the Plant constructed by the **SPD** on the Demised Premises and/or due to any breach of any covenant condition and/or stipulation herein made and to be observed by the **SPD**.

9 Force Majeure

- a) "Force Majeure" shall mean an event beyond the control of the **SPD** and not involving the **SPD**'s fault or negligence and not foreseeable, either in its sovereign or contractual capacity. Such events may include but are not restricted to Acts of God, wars or revolutions, fires, floods, epidemics, quarantine restrictions and fright embargoes etc. Whether a "Force Majeure" situation exists or not, shall be confirmed by the **APSPCL** in consultation with concerned Govt. Authorities and such decision shall be final and binding on the **SPD**.
- b) If a force majeure situation arises, the **SPD** shall notify **APSPCL** in writing promptly at the most within 10 days from the date such situation arises. After examining the cases **APSPCL** shall decide and grant suitable extension of time for fulfilling its payment and other obligations.
- c) For other justified cases also, not covered under force majeure conditions, **APSPCL**, may consider the request of **SPD** and grant additional time for fulfilling its payment and other obligations.

10 Notice

All notices, consents and approvals to be given under this Agreement shall be in writing and signed by authorised signatories of the parties, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/facsimile/speed post of Department of Posts with an acknowledgement due to the other parties to the last known place of business.

11 Termination

11.1 Right of Termination

This Agreement and the transactions contemplated herein may be terminated and abandoned at any time during the currency of the agreement

- a. upon the mutual consent of the Boards of Directors of **APSPCL** and **SPD**
- b. by **APSPCL** if any of the terms and conditions of the Implementation Support Agreement have not been fulfilled by **SPD during the currency of the agreement and not waived by APSPCL or not cured by SPDs.**
- c. by **SPD** if the conditions to **APSPCL's** obligations specified in Article 6 hereof have not been met or not waived by mutual agreement by **APSPCL** and Solar Power Developer.

11.2 Notice of Termination

The power of termination provided for by Article 11.1 hereof may be exercised only by a

notice given in writing and signed on behalf of **APSPCL** by either the Managing Director/CEO, or any other officer authorized by him, and on behalf of **SPD** by the Managing Director, President or any other officer authorized by him or board of the Company.

11.3 Effect of Termination

In the event of the termination and abandonment hereof, pursuant to the provisions of Article 11.1 hereof, this Agreement shall become ceased to have effect, without any liability on the part of any of the parties or their directors, officers, or shareholders in respect of this Agreement, except for liability of a party for expenses pursuant to the terms and conditions of this Agreement.

In the event of termination of the **Implementation & Support Agreement**, **SPD** shall, within Ninety (90) business days following the termination date, remove all property and fixtures belonging to **SPDs** from the Site. If the **SPDs** fails to remove the fixtures or buildings etc even after the notice by **SPPD** to do so, such buildings, structures etc shall vest with the **SPPD** and liable to be removed at the risk & cost of **SPD**.

12 Dispute Resolution

12.1 Dispute Resolution through Amicable Settlement

- i. Either party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this agreement (“Dispute”) by giving a written notice (Dispute notice) to the other party , which shall contain:
 - (a) a description of the Dispute
 - (b) the grounds for such dispute; and
 - (c) all written material in support of its claim.
- ii. The other party shall, within thirty (30) days of issue of Dispute notice under Article 12.1(i), furnish:
 - (a) counter –claim and defence , if any regarding the Dispute; and
 - (b) all written material in support of its defences and counter-claim.
- iii. Within thirty (30) days of issue of Dispute notice by any party pursuant to Article 12.1(i) if other party does not furnish an counter claim or defence under Article 12.1(ii) or thirty (30) days from the date of furnishing counter claims or defence by the other party, both the parties to the dispute shall meet to such dispute amicably. If the parties fail to resolve the Dispute amicably within (30) days from the later dates mentioned in Article 12.1(iii), the dispute shall be referred for dispute resolution in accordance with Article 12.2.

12.2 Dispute resolution by the Appropriate Commission

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be referred to the appropriate electricity regulatory commission (CERC/APERC) for adjudication.

12.3 Dispute resolution through Arbitration

If any dispute, controversy or claim relating to or arising under this Agreement, and not covered in Article 12.2, such dispute shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996 as under provided it is not settled amicably as per Article 12.1:

- i. The Arbitration Tribunal shall consist of three (3) Arbitrators. Each party shall appoint one Arbitrator within 30 days of the receipt of request for settlement of dispute by Arbitration. The two appointed Arbitrators shall within 30 days of their appointment, appoint a third Arbitrator who shall act as presiding Arbitrator. In case the party fails to appoint an Arbitrator within 30 days from the date of receipt of request or the two appointed Arbitrators fails to agree on third Arbitrator within 30 days of their appointment, the appointment of Arbitrator, as the case may be, shall be made in accordance with the Indian Arbitration and Conciliation Act, 1996.
- ii. The place of arbitration shall be Capital City of State of Andhra Pradesh. The language of the arbitration shall be English.
- iii. The Arbitration Tribunal's award shall be substantiated in writing. The Arbitration Tribunal shall also decide on the costs of the arbitration proceedings and the allocation thereof.
- iv. The provisions of this Article shall survive the termination of this Agreement for any reason whatsoever.
- v. The award shall be of majority decision. If there is no majority, the award will be given by the presiding Arbitrator.
- vi. APSPCL shall be entitled to co-opt NTPC & AP Discoms as supporting parties in such arbitration proceedings.

12.4 Dispute resolution by the Court of Law

Any legal proceedings in respect of any matters, claims or disputes under this agreement shall be under the jurisdiction of appropriate courts situated in the state of Andhra Pradesh.

13 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of India.

14 Assignment

This agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any party other than by mutual consent between the Parties to be evidenced in writing.

15 Amendment

This agreement may be amended or supplemented by a written agreement based on mutual discussions and consent between the Parties.

IN WITNESS WHEREOF the Parties hereto have executed this Implementation and Support Agreement as on the date written first herein above by the undersigned.

SIGNED AND DELIVERED

By “**APSPCL**”

SIGNED AND DELIVERED

By “**Solar Power Developer**”

Authorized Signatory

Authorized Signatory

Signed In the presence of:

1. -----, APSPCL

2.-----, Solar Power Developer